

United States Senator

**BOB BENNETT**

Joint Economic Committee

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# **Chairman's Opening Statement**

**Senator Robert F. Bennett**

**Hearing of the Joint Economic Committee**

**"The Employment Situation"**

**March 7, 2003**

Good morning and welcome to today's hearing on the employment situation.

Today's employment report confirms that our economy is not creating enough jobs. In fact, in February employment decreased by 308,000 and the unemployment rate rose to 5.8 percent. Over the last year, the economy has lost 159,000 jobs. The economy has been growing, but too slowly to help many of our nation's workers.

Today's numbers reinforce the need for a bold economic growth package. Congress should enact a plan that helps create jobs for those who are out of work today *and* strengthens the economy for years to come. Congress should focus on the big picture – making sure that good jobs continue to be available for American workers – not just on the here and now. We would fail our responsibilities if we adopt a limited package only to find ourselves in the same situation a year or two down the road.

A quick, temporary fix is not in order. Americans deserve an aggressive plan with new ideas about how to achieve strong, sustained economic growth. They also deserve fresh, creative thinking about how to assist our unemployed.

The President's growth package delivers on both dimensions. Ending the double taxation of dividends, increasing small business expensing, and accelerating future tax cuts will boost the economy in the short run and provide faster growth in the long run. Increased incentives to work, save, and invest are key to America's economic future. At the same time, the President's proposal for a new type of unemployment assistance – personal re-employment accounts – represents much-needed new thinking about how to help America's unemployed.

Obviously the best remedy for the unemployed is a job. Most of us would much rather earn a paycheck than be given an unemployment check. But it's just as clear that interim measures are sometimes needed. One of the questions we will consider today is whether we can improve those measures and make sure that the unemployment system actually helps people find new work.

I would like to welcome Dr. Kathleen Utgoff, Commissioner of the Bureau of Labor Statistics, to testify about the employment situation in February. We thank you for appearing before the Committee and look forward to hearing your analysis of the labor market.

## **2<sup>nd</sup> Panel on “Improving Assistance for the Unemployed”**

The second part of our hearing today concerns the President’s proposal to create personal re-employment accounts. To that end, we have assembled a distinguished panel of experts to talk about this innovation.

Unemployment insurance has helped millions of Americans. In times of economic need, it has provided an important safety net for families everywhere. However, the basic structure of our unemployment insurance program has not appreciably changed for many years, and economists tell us that there is much room for improvement.

The administration has made an innovative attempt along these lines with its proposal to create personal re-employment accounts (PRAs). PRAs would supplement our regular unemployment insurance, not replace it. They would focus assistance on those who need it most – the long-term unemployed. And they would focus on the most important need – supporting efforts to find a new job. PRAs are a valuable addition to the policy tools we use to alleviate the sting of unemployment and to get the economy back on *terra firma*.

I wish to extend a warm welcome to our panelists, Mr. Mason Bishop from the Department of Labor, Dr. Don Parsons from George Washington University and Dr. Harry Holzer from Georgetown University, and thank them for appearing before the Committee today. I look forward to hearing their thoughts on personal re-employment accounts as well as on the general state of the unemployment insurance system today.